

**GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA**

STARRED QUESTION NO:251
ANSWERED ON:03.08.2016
Postal Department
Chauhan Shri Nihal Chand

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) the details of the profit or loss incurred by the Department of Posts in postal, parcel, cargo, postal banking, insurance services and other activities during the last three financial years and the current financial year;
- (b) the financial and growth targets for the current and next three years and the details thereof, segment-wise;
- (c) the amount of traffic handled by private courier companies in the parcel segment and the loss in revenues to the Department of Posts due to the private courier companies over the last three years and the current year along with the reasons and details thereof;
- (d) the details of the assets under the management of the Department of Posts through its banking and insurance products; and
- (e) the percentage increase or decrease in such assets over the past three years and the reasons therefor?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 251 FOR 3RD AUGUST, 2016 REGARDING "POSTAL DEPARTMENT".

(a) Postal Department being a Service department does not maintain commercial accounts. It maintains accounts as per govt. accounting procedure. Profit & loss can be ascertained only from the commercial accounting by commuting final accounts in the form of trading accounts, profit & loss accounts and balance sheet. The product-wise expenditure and revenue is not possible to be ascertained from the existing accounts of the Department of Posts. However, Department of Posts is continuously registering deficit on the postal services over the years. The deficit during 2015-16 has slightly decreased from Rs. 6259 crore to Rs. 6007 crore in comparison to 2014-15. The details of deficit during the last three years and current financial year are as under:

(Amount in crore)

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Items 2013-14 2014- 2015 2015- 2016 2016-17

(upto June 2016)

Net Expenditure 16203 17895 18947 4996

Total Rev. 10730 11636 12940 3093

Revenue Deficit 5473 6259 6007 1903

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Further, Department of Posts is generating postal revenue from the below noted areas of services which are as under:-

<pre> (Amount in Crores)

Sl. No. Details of Activities 2013-14 2014-15 2015-16

2016-17

(up to to June 2016)

1 Postal Operation (Other than Parcels) 4736.91 4853.15 5005.49 916.41

2 Parcels 78.24 112.80 149.41 39.63

3 Cargo N/A N/A N/A N/A

4 Postal Banking 5915.27 6670.03 7883.87 2137.02

5 Insurance Services 533.00 604.42 619.66 136.76

6 Others (Recoveries other than Insurance) 60.19 57.56 42.38 4.91

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In fact, there is marked improvement in the revenue realization of the Department of Posts in the past few years. Revenue of the Department has shown a steady growth over the years. It may be seen from the above table that revenue has increased from Rs. 10730 crore in 2013-14 to Rs. 12940 crore in 2015-16 (20.60%). Further, Deficit has increased from Rs. 5473 crore in 2013-14 to Rs. 6007 crore in 2015-16, which is increased just 9.7% in last three years. Department of Posts handles the different products/services for which the cost allocated to the different major services/products, the losses /gains attributed to different postal services/products are annexed at 'A'.

(b) Financial and growth targets for the current and next three years and segment-wise are as under:-

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Revenue targets for next three years (Rs in crores)

Revenue segment 2016-17 2017-18 2018-19 2019-20

Postal Operations 5780 6358 6994 7693

Savings Bank and Cash Certificates (SBCC) 8047 8852 9737 10711

Total 13827 15210 16731 18404

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(c) No data of private courier companies is available in the Department. As such comparison with courier companies can not ascertained due to non availability of such data.

(d) Asset Under Management (excluding frozen corpus) of Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) as on 31.03.2016 are as under:-

(i) Insurance

(Amount in crore)

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Postal Life Insurance (PLI) 31217.17

Rural Postal Life Insurance (RPLI) 13566.27

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(ii) Banking

Banking Services in the Department of Posts are being done as agency services on behalf of Ministry of Finance which provides remuneration for this work to the Department at the rates fixed by them from time to time. Net Savings Bank deposits during last three years are as under:-

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Financial year (Amount in crore)

2013-14 207533.70

2014-15 247816.07

2015-16 367586.57

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(e) The percentage increase in Asset Under Management (AUM) of PLI and RPLI during the last three years is detailed below:-

(i) Insurance

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Financial year % of increase in AUM of PLI from previous year* % of increase in AUM of RPLI from previous year*

2013-14 67.33 46.36

2014-15 45.53 28.01

2015-16 26.18 19.66

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*(excluding frozen corpus)- As on date total frozen corpus under PLI of Rs. 15344.54 crore and Rs. 5549.14 crore under RPLI has been converted in the Govt. of India Special Security Floating Rate Bond.

AUM increased due to addition of new policies, increase in premium income and income from investment of funds of PLI and RPLI.

(ii) Banking

The percentage increase in Asset Under Management (AUM) in respect of Banking during the last three years is detailed below:-

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Financial year % increase from previous year

2013-14 5.50

2014-15 19.41

2015-16 48.33

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There has been continuous increasing in the Post Office Savings Bank (POSB) deposits due to organizing Saving Bank (SB) melas and seminars for opening of new accounts both in rural and urban areas and distributing information pamphlets. Rural population especially workers registered under Mahatma Gandhi National Rural Guarantee Scheme and families of Below Poverty Line are also encouraged to promote savings by Gramin Dak Sewaks (GDS)/ Postmen through personal contact.

Contdâ€¦â€¦5/-

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Annexure A

STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS

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FOR THE YEAR 2012-13

Sl. No. Name of Service Total Unit Cost Revenue per Unit Diffe- rence per Unit Deficit(-) & Surplus (+) (Rs. In crores)

A Traditional Services

1 Post Card 717.90 50.00 -667.90 -90.47
2 Printed Post Card 719.21 600.00 -119.21 -6.55
3 Comp. Post Card 718.81 1000.00 281.19 0.00
4 Letter Card 718.32 250.00 -468.32 -95.42
5 Letter 796.18 939.39 143.21 86.72
REGD.NEWS PAPERS 0.00 0.00 0.00 0.00
6 RNP-Single 1059.25 59.00 -1000.25 -94.82
7 RNP-Bundle 2079.19 163.00 -1916.19 -34.27
BOOK POST 0.00 0.00 0.00 0.00
8 Book P. & S. Pkts. 951.18 846.41 -104.76 -9.35
9 Printed Books 1244.92 290.14 -954.78 -57.87
10 Other Periodicals 1351.80 1535.09 183.29 9.40
11 Parcel 4658.91 4069.43 -589.49 -15.98
12 Registration 4213.79 1700.00 -2513.79 -397.34
13 Value Payable Post 2666.20 456.64 -2209.56 -17.30
14 Insurance 14182.22 5524.10 -8658.13 -12.29
15 Foreign Letter Post 13001.49 8350.24 -4651.25 -87.98
16 Foreign Parcel 620504.11 202321.24 -418182.87 -127.96
17 Acknowledgement 650.78 300.00 -350.78 -21.81
18 TRC / E Bill 3386.90 500.00 -2886.90 -179.71

B Premium Products

19 Meghdoot Post Card 716.27 25.00 -691.27 -11.28
20 Business Products 760.87 509.00 -251.87 -292.70
21 Greeting Post 769.40 1500.00 730.60 0.09
22 Express Parcel 8045.82 9799.95 1754.13 14.12
23 Speed Post 5052.03 2803.27 -2248.77 -1011.94

C Financial Services

24 Money Order 8917.55 5819.24 -3098.31 -268.27
25 I.P.O. 3611.05 338.07 -3272.99 -106.57
26 Savings Bank 5342.75 3663.56 -1679.20 -2110.91
27 S.C. & K.V.P. 9974.02 5164.00 -4810.02 -398.60
28 I.V.P. 2657.67 1367.00 -1290.67 -0.11
29 Rly / Telecom Pension 14020.87 8000.00 -6020.87 -13.63
30 Coal Mines Pension / EPF 14088.26 7846.00 -6242.26 -0.33
31 PLI per Transaction 2343.10 2007.18 -335.91 -100.12
32 WUMTS 16149.74 30206.21 14056.48 27.37

Total A+B+C -5425.89

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STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS

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FOR THE YEAR 2013-14

Sl. No. Name of Service Total Unit Cost Revenue per Unit Diffe- rence per Unit Deficit(-) & Surplus (+) (Rs. In crores)

A Traditional Services

1 Post Card 753.37 50.00 -703.37 -100.68
2 Printed Post Card 740.30 600.00 -140.30 -8.26
3 Comp. Post Card 741.62 1000.00 258.38 0.00
4 Letter Card 748.39 250.00 -498.39 -112.20
5 Letter 826.19 924.94 98.75 67.72
REGD.NEWS PAPERS 0.00 0.00 0.00 0.00
6 RNP-Single 913.45 41.00 -872.45 -92.79
7 RNP-Bundle 1483.13 97.00 -1386.13 -27.48
BOOK POST 0.00 0.00 0.00 0.00
8 Book P. & S. Pkts. 806.15 685.65 -120.51 -11.77
9 Printed Books 1312.18 272.37 -1039.81 -70.30

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10 Other Periodicals 1263.57 1265.25 1.68 0.10
11 Parcel 5197.52 3645.90 -1551.62 -45.03
12 Registration 4253.73 1700.00 -2553.73 -459.86
13 Value Payable Post 2465.90 352.40 -2113.50 -20.33
14 Insurance 13805.84 4823.31 -8982.53 -12.19
15 Foreign Letter Post 16186.39 8928.09 -7258.30 -118.06
16 Foreign Parcel 616560.26 200698.20 -415862.06 -138.90
17 Acknowledgement 691.87 300.00 -391.87 -29.58
18 TRC / E Bill 3758.64 500.00 -3258.64 -228.77
B Premium Products 0.00 0.00 0.00 0.00
19 Meghdoot Post Card 740.23 25.00 -715.23 -10.20
20 Business Products 787.69 509.00 -278.69 -452.19
21 Greeting Post 793.07 1500.00 706.93 0.09
22 Express Parcel 8742.05 8070.28 -671.77 -6.46
23 Speed Post 5249.67 3710.04 -1539.63 -569.45
C Financial Services 0.00 0.00 0.00 0.00
24 Money Order 8638.19 5464.86 -3173.34 -343.88
25 I.P.O. 3159.99 393.20 -2766.79 -103.38
26 Savings Bank 5907.00 4354.85 -1552.16 -1951.21
27 S.C. & K.V,P. 11024.47 5164.00 -5860.47 -500.93
28 I.V,P. 2938.35 1367.00 -1571.35 -0.10
29 Rly / Telecom Pension 15557.66 8000.00 -7557.66 -14.42
30 Coal Mines Pension / EPF 15632.51 7846.00 -7786.51 -0.83
31 PLI per Transaction 2725.56 2207.39 -518.17 -125.12
32 WUMTS 17392.46 25084.14 7691.68 13.38
Total A+B+C -5473.08

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STATEMENT SHOWING PRODUCTWISE COST, REVENUE & DEFICIT/SURPLUS
FOR THE YEAR 2014-15

Sl. No. Name of Service Total Unit Cost Revenue per Unit Difference per Unit Deficit(-) & Surplus (+) (Rs. In crores)

A Traditional Services

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1 Post Card 905.04 50.00 -855.04 -66.56
2 Printed Post Card 845.07 600.00 -245.07 -8.37
3 Comp. Post Card 846.67 1000.00 153.33 0.00
4 Letter Card 885.39 250.00 -635.39 -85.33
5 Letter 1005.31 1396.98 391.68 180.91
REGD.NEWS PAPERS 0.00 0.00 0.00 0.00
6 RNP-Single 1045.92 44.00 -1001.92 -61.35
7 RNP-Bundle 1705.59 90.00 -1615.59 -19.59
BOOK POST 0.00 0.00 0.00 0.00
8 Book P.& S. Pkts. 1096.95 739.46 -357.50 -19.86
9 Printed Books 1352.12 206.04 -1146.07 -45.98
10 Other Periodicals 1471.22 1235.86 -235.35 -8.13
11 Parcel 7137.00 4845.53 -2291.47 -58.17
12 Registration 4838.93 1700.00 -3138.93 -573.99
13 Value Payable Post 3033.45 364.44 -2669.01 -30.27
14 Insurance 6201.24 5215.43 -985.81 -1.39
15 Foreign Letter Post 22473.67 9677.01 -12796.67 -184.21
16 Foreign Parcel 761298.61 184322.73 -576975.88 -228.48
17 Acknowledgement 778.04 300.00 -478.04 -17.25
18 TRC / E Bill 4006.68 500.00 -3506.68 -180.58
B Premium Products 0.00 0.00 0.00 0.00
19 Meghdoot Post Card 866.78 25.00 -841.78 -6.42
20 Business Products 897.13 509.00 -388.13 -589.11
21 Greeting Post 902.53 1500.00 597.47 0.04
22 Express Parcel 9928.00 7758.09 -2169.91 -29.51
23 Speed Post 5884.67 3688.31 -2196.35 -875.69
C Financial Services 0.00 0.00 0.00 0.00
24 Money Order 10457.08 4677.65 -5779.43 -781.39
25 I.P.O. 3998.67 364.92 -3633.75 -95.08
26 Savings Bank 6301.65 4937.04 -1364.61 -1715.45
27 S.C. & K.V,P. 11761.04 5164.00 -6597.04 -592.70
28 I.V,P. 3133.19 1367.00 -1766.19 -0.09
29 Rly / Telecom Pension 16583.45 8000.00 -8583.45 -12.58
30 Coal Mines Pension / EPF 16663.25 7846.00 -8817.25 -0.82
31 PLI per Transaction 3121.10 2489.25 -631.85 -153.42
32 WUMTS 18293.72 19542.55 1248.83 2.17
Total A+B+C -6258.61

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